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FM AMEMBASSY KUWAIT
TO RUEHC/SECSTATE WASHDC PRIORITY 9325
INFO RUEHEE/ARAB LEAGUE COLLECTIVE PRIORITY
RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE PRIORITY
RUEHGB/AMEMBASSY BAGHDAD PRIORITY 0904
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY

C O N F I D E N T I A L KUWAIT 000896

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NOFORN

STATE FOR NEA/ARP (BELINDA JACKSON); PLEASE PASS TO USAID

E.O. 12958: DECL: 06/06/2017

TAGS: [ECON](#) [EFIN](#) [EAID](#) [KU](#)

SUBJECT: ARAB FUND: NO MOVEMENT ON AID TO IRAQ, LEBANON

REF: A. KUWAIT 568

[1](#)B. 06 KUWAIT 4311

Classified By: Ambassador Richard LeBaron for reasons 1.4 (b) and (d).

[1](#)1. (C/NF) On June 9, Ambassador met with Abdullatif Al-Hamad, Director General of the Arab Fund for Social and Economic Development (AFSED). Al-Hamad said the Iraqi government has not taken any further steps to resolve its arrears problem with the Fund, which prevents the resumption of the AFSED's activities in Iraq (refs A and B). Al-Hamad said his key Iraqi contacts on this issue are Iraq's Central Bank Governor Dr. Sinan Al-Shibibi, and the Ministry of Planning. He said they know what to do but can't convince the government to act.

[1](#)2. (C/NF) With respect to Lebanon, Al-Hamad said he had "done all he can," and is still waiting on the Lebanese parliament to ratify proposed projects as part of the Fund's pledge of USD 700 million made at Paris III in January. He said Nabih Berri "pulled the plug on approval for three urgent loans" since parliament is not meeting.

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LeBaron